



Illinois Ethics Matters

October 13, 2016

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Honesty, Integrity, Service

A newsletter from the Office of Executive Inspector General for the Agencies
of the Illinois Governor

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Recent News

- The OEIG is pleased to announce that Tiffany Pryor-Wallace was promoted to Supervising Investigator, and Melissa Schaefer was promoted to Supervising Analyst
- In addition to the reports described below, the EEC recently released OEIG final reports in *In re Stewart (Case #14-01497)* and *In re Wanzo (Case #14-00592)*. All of the OEIG's published reports can be found on both the EEC and OEIG websites.

OEIG/DCFS Investigation Leads to 2 Year Sentence for Grant Fraud



A joint investigation by the OEIG and the Inspector General for the Department of Children and Family Services (OIG-DCFS) has led to a criminal conviction of Dr. George E. Smith on two counts of mail fraud and one count of money laundering. Dr. Smith was sentenced to serve two years in federal prison and ordered to pay \$480,000 in restitution for a fraud scheme involving two State agencies.

In 2011, the OEIG and OIG-DCFS issued a joint report regarding allegations that Dr. Smith perpetrated large-scale grant fraud through several business entities he owned, each purporting to provide or support behavioral and mental health services to children, youths, adults and/or families. *In re McEwen, et al. (Case #11-01182)*. Dr. Smith's entities were awarded millions of dollars in grant money, but did not use the grant monies for their designated purpose.

The fraudulent scheme included forged signatures, excessive use of grant funds for unknown services, administrative expenses in excess of those allowed by law, "ghost" employees, and falsified credentials.

Among other things, the OEIG and DCFS found that Dr. Smith violated the False Claims Act and committed perjury. The joint report recommended that the State seek civil recovery and criminal prosecution. In March 2016, Dr. Smith pled guilty to fraud in federal court, and was sentenced on September 23, 2016. A civil matter remains pending in State court.

EEC Releases Two Additional OEIG Cases that Led to Criminal Convictions

The Executive Ethics Commission recently released two OEIG Final Reports that resulted in criminal convictions:

- *In re Bailey (Case #10-00342)* The United States Attorney obtained a guilty plea from former DHS employee Marcellus Bailey for conspiracy to commit federal program bribery in relation to the payment of bribes in exchange for confidential information maintained by the State of Illinois. The matter was referred to the US Attorney by the OEIG.
- *In re Moore (Case #12-02052)* The Office of Attorney General obtained a guilty plea from former DHS employee Debra Moore for misappropriating more than \$300,000 in assistance for needy families. The case was referred to the AG by the OEIG.